

GOVERNMENT OF THE REPUBLIC OF FIJI

TREASURY BILLS – PROSPECTUS

(ISSUE AUTHORISED BY THE FINANCIAL MANAGEMENT ACT 2004)

ISSUE

1. Treasury Bills are issued under the authority of the Financial Management Act 2004.
2. The Reserve Bank of Fiji (**Reserve Bank, RBF or Bank**) has been appointed to act as the agent and registrar of the Government of the Republic of Fiji (**‘Government’**) for the purpose of the Financial Management Act 2004 – Part 9.
3. Issues of Treasury Bills will be made at a discount and may be offered over a range of maturities from 14 days to a maximum of 364 days (**‘Bills’**).

TENDERS

4. Invitations to tender for Bills will be made regularly by the Reserve Bank by announcement via electronic mails, in nominated daily newspapers and/or other media forms. Each invitation will include details of:
 - ❖ The amount offered and maturity dates of the Bills offered;
 - ❖ The date and closing time of tenders;
 - ❖ Settlement arrangements.

All invitations to the tender and all tenders for the Treasury Bills shall be made in terms of and pursuant to this prospectus or any prospectus issued by the RBF in substitution of this prospectus.
5. Tenders will be received on a competitive or non-competitive basis as follows:
 - ❖ Competitive tenders will be received in multiples of \$10,000 (face value) and the minimum tender will be \$10,000 (face value). Each tender must be submitted on a percentage yield per annum basis and must be expressed to the second decimal place (e.g. 5.17% or 4.05%). Decimal points beyond two places will be disregarded. Each tender must be for one rate, and be made on the form attached to the prospectus.
 - ❖ Non-competitive tenders will be accepted in multiples of \$250 for a minimum amount of \$250 (face value) up to a maximum amount of \$100,000 (face value). Non-competitive tenders will be limited to one tender per maturity. These tenders will be accepted at the weighted average annual yield of the accepted competitive tenders.

6. The Central Securities Depository (CSD) participants are to submit their bids using the CSD bidding platform. The non-CSD participants are to email their bids to tender-markets@rbf.gov.fj together with evidence of payment for the full face value of the tendered amount through FIJICLEAR to the Central Bank.

The transfer details for FIJICLEAR are provided below:

- SWIFT: RBFJFJFA
- Beneficiary Name: Fiji Government Securities Proceeds & Refunds
- Beneficiary Account No.: 36019
- Narration: Purchase of Treasury Bills

ALLOTMENT

7. Allotments of Treasury Bills will be made by the Reserve Bank within the limits prescribed by the Minister for Finance. CSD generated Bid Awarded Report will be emailed to the successful non-CSD participants to settle their payments through FIJICLEAR or advising the successful CSD participants of the amount that will be settled directly through FIJICLEAR, on the issue date.

For competitive tenders, allotments will be made in ascending order of annual percentage yield tendered. The RBF reserves the right to accept tenders less than or more than the amount in the invitation to tender.

In the event of under subscription of tenders, the RBF may accept for its own account the balance of Treasury Bills not allotted by tender at the weighted average yield for accepted and allotted competitive tenders. However, if no competitive bids are allotted, the RBF may use the yield which is published on the RBF website for the relevant maturities. Further consultations between the RBF and Government will need to be undertaken if such event occurs.

SETTLEMENT

8. The settlement price shall be calculated on the basis of the following formula:

$$\text{Price} = \frac{\text{face value tendered}}{1 + (i \times n/365)}$$

where i = annual percentage yield tendered/100

n = days to maturity

Once the allotment of Treasury Bills has been made, the settlement for successful bids will be done through FIJICLEAR on the issue date.

For non-CSD participants, if the settlement amount for an accepted tender exceeds the Face Value, the successful bidder is to settle the difference through

FIJICLEAR by 2.00 pm on the issue date. If, however, the settlement amount is lower than the Face Value, then any excess payment will be refunded on the issue date.

CSD will generate a Portfolio Statement that will be issued to successful investors.

REDEMPTION

9. Treasury Bills will be redeemed on the due date for the face value. If maturing on a weekend or statutory holiday then the Bills will be payable on the first working day after such holiday.

In the event the Government wants to redeem Treasury Bills before the maturity date, it may do so at a mutually agreed price between the Government and the investor.

Upon redemption of Bills, the CSD will generate the redemption corporate action settlement and payments are settled in to the investors commercial bank account through FIJICLEAR.

TRANSFER OF TREASURY BILLS

10. Treasury Bills can be issued to order or bearer. Transfers of Treasury Bills can be made in multiples of \$250, by endorsement and delivery in the case of those issued to order, and by delivery if issued to bearer.

Transfer of Treasury Bills will be executed via the CSD platform.

GENERAL

11. Treasury Bills are authorised investment for Trustees in Fiji.
12. As a security measure, the loan and interest payable on it are a charge on and payable out of the Consolidated Fund of Government which is the Government Central Account.
13. Interests on Treasury Bills are exempt from income tax with an exception to Financial Institutions.
14. All the amounts in this Prospectus are expressed in Fijian Currency.



Professor Biman Prasad
MINISTER FOR FINANCE, STRATEGIC PLANNING, NATIONAL
DEVELOPMENT AND STATISTICS

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